



UNITED STATES DEPARTMENT OF EDUCATION

July 23, 2002

THE DEPUTY SECRETARY

Honorable David M. Walker  
Comptroller General  
General Accounting Office  
441 G Street, NW  
Washington, DC 20548

Dear Mr. Walker:

Pursuant to 31 U.S.C. 720, the U.S. Department of Education is submitting this written statement on actions taken to implement recommendations contained in the General Accounting Office's (GAO's) April 30, 2002, report entitled, *Federal Student Aid: Additional Management Improvements Would Clarify Strategic Direction and Enhance Accountability* (GAO-02-255). We generally agree with GAO's findings and recommendations. We are taking steps to improve management and accountability of the performance-based organization (PBO).

We are revising the performance plans and the FY 2000-2001 annual report for our Federal Student Aid (FSA) office in accordance with GAO's recommendations. Specifically, we are working to address the performance goals identified in the PBO legislation and to:

- disclose the basis for FSA's unit cost metrics and ensure they meet the standards contained in the *Statements of Federal Financial Accounting Concepts and Standards*;
- develop clear goals, strategies, and measures for integrating FSA's information systems; and
- develop strategies and measures for improving program integrity.

We are finalizing the annual report and will submit it to Congress shortly.

In addition, as we indicated in our response to the draft report, we have been working to develop comprehensive strategies integrating human capital management, competitive sourcing, and restructuring for the entire Department of Education. I am pleased to report that Secretary Paige released this plan for *One-ED* on Monday, July 15. *One-ED* builds on the *President's Management Agenda* and the Department's *Strategic Plan, Blueprint for Management Excellence*, and *Culture of Accountability Report*. Collectively, these documents articulate clear management goals and desired education results. They also include important action steps to improve our financial integrity, service delivery, and culture.